GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1521
ANSWERED ON:29.10.2008
ALLOCATION OF COAL BLOCKS
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Will the Minister of COAL be pleased to state:

(a) whether the Screening Committee of Ministry of Coal has approved allocation of 23 captive coal mines blocks to steel,cement and sponge iron companies;

(b) if so,the details thereof;

(c) the criteria laid down for allocation of coal blocks; and

(d) the time fixed for operationalisation of the allotted coal blocks?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI SANTOSH BAGRODIA)

(a) & (b): The Screening Committee has submitted its recommendations in respect of 22 coal blocks, and one block was withdrawn. The Committee has recommended allocation of 12 coal blocks to iron & steel (including sponge iron) units, 2 coal blocks to cement units and 8 coal blocks jointly to iron & steel and cement units.

(c): Inter-se priority for allocation of a coal block among the competing applicants for a captive block is decided as per the following guidelines:

Status(stage) level of progress and state of preparedness of the projects;

Networth of the applicant company;

Production capacity as proposed in the application;

Maximum recoverable reserve as proposed in the application;

Date of commissioning of captive mine as proposed in the application;

Date of completion of detailed exploration (in respect of unexplored blocks only) as proposed in the application;

Technical experience (in terms of existing capacities in coal/lignite mining and specified end use);

Recommendation of the Administrative Ministry concerned;

Recommendation of the State Government (i.e. where the captive block is located);

Track record and financial strength of the company.

(d): As per the guidelines, coal production from captive coal block should commence within 36 months (42 months in case the area falls in forest land) in case of open cast mines and in 48 months (54 months in case the area falls in forest land) in case of under ground mine, from the date of allocation.If the coal block is not explored.additional two years are allowed for detailed exploration and preparation of geological report.